

SRF Public Meeting
GEFA Board Room
May 21, 2010
11:00 a.m.

GEFA Attendees: Phil Foil, Beverly McElroy, Kevin Kelly, Jason Bodwell, Bianca Jaikaran, Jenerrah Byron, Dan Clarke.

Other Attendees on Sign-in Sheet Attached

Phil Foil, GEFA Executive Director, welcomed the meeting attendees and made some opening comments. He reminded everyone to sign in. The Environmental Protection Agency (EPA) requires states to submit an Intended Use Plan (IUP) stating how the states plan to use the funds allocated by Congress to the Clean Water and Drinking Water State Revolving Fund (SRF) programs in the annual Cap grants. Georgia's draft IUP for 2010 Cap grant funding has been posted on GEFA's website for review and this meeting is being held to allow the public to comment on the draft IUP. Mr. Foil stated that the 2010 CAP grants amounts are \$34,449,000 for Clean Water and \$32,071,000 for Drinking Water. He introduced Bob Scott, the EPD representative present at the meeting. He then called on Beverly McElroy, Water Resources Director, to introduce the rest of the GEFA staff.

Jason Bodwell stated that GEFA created a fair and transparent process for projects to be included in the draft IUPs by developing and posting on the GEFA website a pre-application that could be submitted electronically. The information gathered on the pre-applications was used to evaluate the projects and rank them for 2010 funding in the draft IUPs. The higher ranking projects will be eligible for principal forgiveness of part of their loans – 15% in Clean Water and 30% in Drinking Water. For 2010, the SRF programs combined traditional program elements along with some new elements as a result of the American Recovery and Reinvestment Act (ARRA) funding, such as the mandate to provide additional subsidization and the Green Project Reserve. He explained that the percentage of principal forgiveness is applied to the amount of funding actually drawn for the project and the community cannot get the principal forgiveness amount and then fund the loan part with other money. The principal forgiveness amount is tied to the loan. Mr. Bodwell stated that the list of projects included in the draft IUPs is on GEFA's website and that GEFA staff would answer questions about the draft IUPs until close of business on Wednesday, May 26, 2010. Mr. Bodwell proceeded to give the PowerPoint presentation about the draft IUPs for the CWSRF and DWSRF programs in year 2010. The presentation is available on the GEFA website.

Mr. Bodwell stated that the normal requirements of the SRF programs still apply in 2010 but that certain requirements of the ARRA Program do not, such as "Buy American", 1512 reporting and the Congressional Transportation and Infrastructure Committee reporting. The scheduled GEFA Board meetings for the remainder of 2010 were presented with the instruction that applications should be submitted at least six weeks prior to any Board meeting in order to be presented at that Board meeting. He cautioned that the six weeks timeframe is tentative as many factors can hold up an application from being ready to be presented to the Board for approval. Mr. Bodwell instructed that any questions about green reserve projects be submitted to Bianca Jaikaran as she is the lead GEFA staff person on green projects.

Kevin Kelly opened up the meeting for questions and a series of questions ensued:

Chris Quigley: How much money is in the 2010 DWSRF for Tier 1 projects?

Mr. Kelly: Approximately \$21 million.

Mr. Quigley: Is there a pre-payment penalty?

Mr. Kelly: No

Catherine McQuade: Please explain how funding for Tier 3 projects works.

Mr. Kelly explained.

Ernie Earn: How is principal forgiveness applied to large projects in Tier 1?

Mr. Kelly: For such projects, the principal forgiveness percentage is applied to the first \$5,000,000 of the project and the balance from GEFA funding is a 3% loan.

Mr. Quigley: Will the SRF programs have the same principal forgiveness in 2011?

Mr. Bodwell: Probably not, but the green project reserve provision will probably remain.

Mr. Quigley: I calculate that a project would need to be submitted by June 7 in order to be presented at the July 24 Board meeting.

Mr. Bodwell: There is no guarantee that it would be ready to be presented to the Board by that time due to possible delays in underwriting or environmental issues.

Tim Masterson: If the readiness of a project has changed since the pre-application was submitted, can it be updated?

Mr. Bodwell: No.

Mr. Quigley: What is the likelihood of a Tier 2 project moving up to Tier 1?

Mr. Bodwell: We don't know. Some of the Tier 1 projects could be disqualified if they don't comply with some program requirements by September 30, 2010 such as service delivery agreement, which is an unresolved issue in two metro Atlanta counties.

Mr. Quigley: If some funds remain in Tier 1 after all projects on the Tier 1 list have been funded, will that money (with principal forgiveness) be available for the next Tier 2 project in line even if it is not enough to fund the entire project?

Mr. Bodwell: Yes, just as GEFA did last year with ARRA funds, the balance of funding with principal forgiveness in Tier 1 would be available to the next-in-line Tier 2 project to fund part of the project with the balance being funded with straight loan at 3%.